DOCUMENT RESUME

ED 468 782 HE 035 250

TITLE	Audit of Gaining Early Awareness and Readiness for Undergraduate Programs. Final Audit Report.
INSTITUTION	Office of Inspector General (ED), Washington, DC.
REPORT NO	ED-OIG/A07-A0033
PUB DATE	2002-06-00
NOTE	43p.; Appendixes may not reproduce clearly.
AVAILABLE FROM	For full text: http://www.ed.gov/offices/OIG/AuditReports/a07a0033.pdf.
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	EDRS Price MF01/PC02 Plus Postage.
DESCRIPTORS	*Administration; Eligibility; Federal Legislation; Federal Regulation; *Grants; Higher Education; *School Readiness; *Undergraduate Students

ABSTRACT

An audit was conducted to determine whether the U.S. Department of Education had implemented adequate management controls to administer the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) in accordance with legislative, regulatory, and internal administrative requirements. The focus was on the fiscal year 2000 grant competition from the development of the application Technical Review Plan to the awarding of grant funds. The audit found that the GEAR UP office did not establish and follow management controls necessary to assure that it administered the program in accordance with requirements. It was found that the Department did not assure that GEAR UP officials informed Grants Policy and Oversight Service when changes were made with GEAR UP program staff and officials holding warrant authority. Nor did the Department assure that GEAR UP staff followed the Department's Technical Review Plan or established a monitoring plan as prescribed. Steps had not been taken to ensure that GEAR UP staff completed steps to determine eligibility prior to awarding grant funds and that completed technical review forms were adequately reviewed. Recommendations were made to require GEAR UP officials to change procedures to comply with legislative, regulatory, and their own internal requirements. An appendix contains the initial responses of the Department of Education to these findings. (SLD)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 468 782

Audit of Gaining Early Awareness and Readiness for Undergraduate Programs

FINAL AUDIT REPORT

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

ED-OIG/A07-A0033
June 2002

Our mission is to promote the efficiency, effectiveness, and integrity of the Department's programs and operations.

U.S. Department of Education
Office of Inspector General
Region VII - Kansas City Office

BEST COPY AVAILABLE

NOTICE

Statements that management practices need improvement, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. Determination of corrective action to be taken will be made by appropriate Department of Education officials.

In accordance with the Freedom of Information Act (5 U.S.C. Section 552), reports issued by the Office of Inspector General are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

MEMORANDUM

JUN 7 2002

TO : Sally Stroup, Assistant Secretary
Office of Postsecondary Education

FROM: Thomas A. Carter
Assistant Inspector General for Audit Services

SUBJECT : FINAL AUDIT REPORT
Audit of Gaining Early Awareness and Readiness for Undergraduate Programs
Control No. ED-OIG/A07-A0033

Attached is our subject final report that covers the results of our *Audit of Gaining Early Awareness and Readiness for Undergraduate Programs*. The purpose of our audit was to determine if the Department had implemented adequate management controls to administer the GEAR UP program in accordance with legislative, regulatory, and its own internal administrative requirements. We focused on the FY 2000 grant competition from the development of the application Technical Review Plan to the awarding of grant funds. Please provide us with your final response to each recommendation within 60 days of the date of this report indicating what corrective actions you have taken or plan, and related milestones.

Although, this audit report pertains to the GEAR UP only, as a precautionary measure, we encourage the Office of Postsecondary Education (OPE) Assistant Secretary to perform an internal check of the various other program offices within the Policy, Planning, and Innovation. This internal review should address the extent to which those offices are adhering to the general recommendations in this audit report (i.e., ensuring that GPOS knows of changes to program staff and officials with warrant authority; staff are adhering to technical review plans and monitoring plans, and completing necessary steps to reviewing eligibility prior to awarding grants). While a self-check type of review is not a substitute for an external audit, it could provide OPE management with an internal control activity to permit the early detection of similar matters within other Department of Education components.

In accordance with Office of Management and Budget Circular A-50, we will keep this audit report on the Office of Inspector General (OIG) list of unresolved audits until all open issues have been resolved. Any reports unresolved after 180 days from date of issuance will be shown as overdue in the OIG's Semiannual Report to Congress.

BEST COPY AVAILABLE

Please provide the Supervisor, Post Audit Group, Office of Chief Financial Officer and the Office of Inspector General with quarterly status reports on promised corrective actions until all such actions have been completed or continued follow-up is unnecessary.

In accordance with the Freedom of Information Act (5 U.S.C. §552), reports issued by the Office of Inspector General are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

We appreciate the cooperation given us in the review. Should you have any questions concerning this report, please call William Allen, Regional Inspector General for Audit, Region VII, at (816) 880-4024.

Attachment

BEST COPY AVAILABLE

Audit of Gaining Early Awareness and Readiness for Undergraduate Programs

Table of Contents

Executive Summary 1

Audit Results 3

Finding No. 1 – GEAR UP Officials Did Not Notify GPOS of Changes Regarding Warrants Issued to GEAR UP Personnel 3

Finding No. 2 – GEAR UP Officials Did Not Review Budgets Prior to Awarding Grant Funds 5

Finding No. 3 – GEAR UP Program Does Not Have a Plan for Monitoring Grant Activity 6

Finding No. 4 – Eligibility Checklists Not Sufficiently Completed 7

Finding No. 5 – Sample of Technical Review Forms and Panel Summary Sheets Revealed Errors 9

Background 12

Objectives, Scope and Methodology 15

Statement on Management Controls 16

Exhibit 1 – GEAR UP Criteria 17

Appendix A – GEAR UP Officials Response to Preliminary Audit Results 19

Audit of Gaining Early Awareness and Readiness for Undergraduate Programs

Executive Summary

We found that the U.S. Department of Education's (the Department) Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP) office did not establish and follow management controls necessary to assure that it administered the program in accordance with legislative, regulatory and internal administrative requirements. Effective management controls help safeguard assets, ensure the reliability of accounting data, promote efficient operations, and ensure compliance with established policies.

Specifically, we found that the Department did not assure that:

- GEAR UP officials informed Grants Policy and Oversight Service (GPOS) when changes were made with GEAR UP program staff and officials holding warrant authority,
- GEAR UP program staff followed the Department's Technical Review Plan in reviewing budget data submitted by applicants prior to awarding grant funds,
- GEAR UP officials established and implemented a monitoring plan as prescribed in the Technical Review Plan,
- GEAR UP program staff completed the necessary steps to determine eligibility prior to awarding grant funds, and
- GEAR UP program staff adequately reviewed the completed technical review forms and panel summary sheets for completion and mathematical accuracy as required by the Technical Review Plan.

We recommend that the Assistant Secretary for Postsecondary Education require that GEAR UP officials and staff follow:

1. Policies and procedures in place to inform GPOS when changes are made to warrant status of GEAR UP program staff and officials;

2. Procedures in reviewing budgets for assurance that all expenditures and matching costs are allowable according to applicable federal regulations;

3. ED Directive, GPA 1-101 – Monitoring Discretionary Grants and Cooperative Agreements, issued March 24, 1994, and prepare a strategic monitoring plan, annual monitoring plan, and annual report as a means of providing assurance that Federal grant funds are being safeguarded;

4. Procedures in place to determine eligibility of applications prior to consideration for funding; and

5. Control procedures in place to ensure that all reviews of applications are conducted in accordance with guidelines established by GEAR UP officials.

Officials of the Gaining Early Awareness and Readiness for Undergraduate Program did not provide any additional comments to the draft audit report. Appendix A to this report contains the Department's initial response, dated April 23, 2001, to our preliminary findings.

Audit Results

We found that GEAR UP officials did not establish and follow management controls necessary to assure that they administered GEAR UP in accordance with legislative, regulatory and internal administrative requirements. GEAR UP officials did not assure that: (1) GPOS was notified when changes were made with GEAR UP program staff holding warrants, (2) program staff followed the Department's Technical Review Plan in reviewing budget data submitted by applicants prior to awarding grant funds, (3) a monitoring plan was established and implemented as prescribed in the Technical Review Plan, (4) program staff completed the steps necessary to determine eligibility prior to awarding grant funds, and (5) program staff adequately reviewed the technical review forms and panel summary sheets for completion and mathematical accuracy as required by the Technical Review Plan.

Finding No. 1 - GEAR UP Officials Did Not Notify GPOS of Changes Regarding Warrants Issued to GEAR UP Personnel

Grants Policy and Oversight Service (GPOS) were not provided changes of Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) personnel in order to provide an accurate list of program officials and staff that have warrant authority to obligate GEAR UP grant funds. The list provided by GPOS did not identify the name of the official who obligated the funding for the 2000 grants. In addition, we found former GEAR UP program staff and a former GEAR UP official listed as still holding warrant authority under the GEAR UP program.

The policy Procedures to Obtain A Warrant to Obligate Discretionary Grant Funds established by the Office of the Chief Financial Officer (OCFO) states that the Department authorizes the Principal Office's (PO) Senior Officer to designate certain persons to obligate grant funds. To obligate the funds that person or persons must obtain an official warrant signed and issued by the Director of the OCFO's GPOS. In addition, it is the responsibility of the Executive Office to notify GPOS when it wants to revise or cancel a warrant when the person transfers or leaves the Department.

GEAR UP officials did not inform GPOS when changes were made with GEAR UP program staff holding warrants. It is the responsibility of the Executive Office to notify GPOS when revisions or cancellations of warrants are necessary, including changes in programs for which warrants can be authorized and authorization amounts. GEAR UP officials were not maintaining the necessary management and quality controls to safeguard Federal discretionary grant funds. The lack of accurate warrant lists could result in the unauthorized obligation of discretionary grant funds.

When we brought this matter to the attention of Department officials, they did not fully concur. The Department stated that the person who had obligated the FY 2000 funds held a warrant of the correct size for the Office of Postsecondary Education (OPE). Therefore, this official had authority to obligate the GEAR UP funds. As discussed in the body of the finding, without the necessary controls to assure an accurate listing of officials who are authorized to obligate particular discretionary grant funds, these funds could be obligated inappropriately. The obligation of FY 2000 GEAR UP grant funds was one aspect of the overall finding. In addition to this official not being identified on the list provided to us from GPOS officials, we also found that former GEAR UP staff, as well as one former Department of Education employee were still listed as having current warrant authority under the GEAR UP program. According to documentation from GPOS, it is the responsibility of the Executive Office to request revision or cancellation of a warrant when the person transfers or leaves the Department.

Recommendations

We recommend that the Assistant Secretary for Postsecondary Education require that:

1.1 GEAR UP officials adhere to current policies and procedures to inform GPOS when changes are made to GEAR UP staff and officials with authority to obligate discretionary grant funds (warrant status).

1.2 GEAR UP officials provide an updated list to reflect only the current GEAR UP warrants issued to GEAR UP officials, thereby deleting program staff members who are no longer assigned to GEAR UP.

Finding No.2 – GEAR UP Officials Did Not Review Budgets Prior to Awarding Grant Funds

We found that GEAR UP staff did not follow the Department's Technical Review Plan in reviewing budget data submitted by applicants prior to awarding grant funds. Program staff informed us that proposed budgets included in the grant applications were not reviewed until after the funding slate had been approved and the awards had been made. As part of the overall grant application, for a grantee to be considered, the application must include a section detailing its proposed budget for the project. The GEAR UP application booklet (2000) indicates that 15 out of the 100 possible points available would be given for "Adequacy of Resources." In determining the adequacy of resources, the Secretary considers the following factors:

- The adequacy of support, including facilities, equipment, supplies and other resources, from the applicant organization or the lead applicant organization.
- The relevance and demonstrated commitment of each partner in the proposed project to the implementation and success of the project.
- The extent to which the costs are reasonable in relation to the number of persons to be served and the anticipated results and benefits.
- The potential for continued support of the project after Federal funding ends, including, as appropriate, the demonstrated commitment of appropriate entities to such support.

GEAR UP program staff did not obtain a determination of whether the proposed expenditures and partner resources were allowable prior to awarding grants funds. This is contrary to Education Department General Administrative Regulations (EDGAR) § 74.25(a), which says that the budget plan for the project is approved during the award process.

Each step in the Technical Review Plan needs to be completed to ensure the integrity of the award process and that all grant applications being considered meet applicable criteria. By not following its own written plan, GEAR UP management could approve a grant application that does not meet all of the elements of an eligible entity. It is the responsibility of GEAR UP management to assure that program staff follows the Technical Review Plan in its entirety before awarding grant funds.

Recommendation

We recommend that the Assistant Secretary for Postsecondary Education require:

2.1 GEAR UP officials and staff to follow its procedures in reviewing budgets for assurance that all expenditures and matching costs are allowable according to applicable federal regulations.

Finding No. 3 – The GEAR UP Program Did Not Have a Plan for Monitoring Grant Activity

We found that the Department had not followed the ED Directive, GPA1-101 – Monitoring Discretionary Grants and Cooperative Agreements, and its own Technical Review Plan, in the area of developing and implementing a monitoring plan.

- ED Directive, GPA 1-101 – Monitoring Discretionary Grants and Cooperative Agreements provides a framework for monitoring discretionary grants and cooperative agreements in the Department of Education by establishing Department-wide standards that give general guidance to Principal Officers for preparing their monitoring plans and reports; developing monitoring methods, instruments, and procedures that are appropriate to each Principal Office; using information obtained through monitoring to improve program performance and service; meeting legislative intent; and achieving the goal of improving education. The directive indicates that all Principal Offices must develop and maintain a Strategic Monitoring Plan and an Annual Monitoring Plan. Further each Principal Offices must also submit an annual report as a means of providing assurance that Federal grant funds are being safeguarded.

- The Technical Review Plan for State and Partnership Grants for FY 2000 states that a plan will be established to implement program staff monitoring and technical assistance.

At the time of our review, GEAR UP management had not committed to monitoring grant funds nor had they followed their own Technical Review Plan. GEAR UP officials and program staff informed us that a monitoring policy did not exist at the time of our review. GEAR UP program staff stated that providing technical assistance to grantees, not monitoring, was their primary focus. Moreover, GEAR UP officials have told program staff that there would be no site visits to

grantees. GEAR UP program staff also informed us that they have not been instructed on how to monitor grant activity. One of the risks of not monitoring grant funds, through site monitoring visits, is that a grantee may be using Federal funds for purposes other than intended and this abuse may go undetected.

When we brought this matter to the attention of Department officials, they concurred with our finding. We were informed that all GEAR UP staff received training in conducting on-site reviews in September 2001 and each will participate in two on-site institutional reviews during fiscal year 2002. The Department's written preliminary response, dated April 23, 2001, indicated that GEAR UP officials have contacted Program Monitoring and Information Technology (PMIT) for guidance on drafting an appropriate monitoring plan.

Recommendations

We recommend that the Assistant Secretary for Postsecondary Education require:

3.1 GEAR UP officials develop and implement a strategic monitoring plan, annual monitoring plan, and annual report as indicated in the ED Directive, GPA1-101 – Monitoring Discretionary Grants and Cooperative Agreements.

3.2 GEAR UP officials consider the use of grant fund monitoring as a means of providing assurance that Federal grant funds are being safeguarded.

3.3 GEAR UP management implement training plans for individual program staff members, especially in the area of monitoring grant funds.

Finding No. 4 – Eligibility Checklists Not Completed

We found that the checklists utilized by GEAR UP program staff to determine applicants' eligibility were not completed. The three-page document consisted of general questions such as:

- Are 50 percent of the students in the participating school(s) eligible for free or reduced lunch?
- Are there at least four partners?
- Is there a 50 percent match over five years in cash or in-kind?

The majority of the questions require only a checkmark indicating "yes" or "no." There were some questions that required a brief narrative explanation. According to the Director of the GEAR UP program, the checklist was a voluntary procedure implemented by the program office. However, the Technical Review Plan for the GEAR UP State Grants and Partnership Grants for Fiscal Year (FY) 2000 requires GEAR UP program staff to screen all accepted applications for eligibility prior to the review process. By not determining eligibility prior to selecting grantees for funding, applicants not eligible for GEAR UP grants potentially could receive funding, and review resources are expended on applications that are not eligible for consideration.

For our review, we analyzed 21 checklists, which encompassed 14 partnership and 7 state grant applications. These 21 checklists were selected from the sample generated for analysis of reviewer scores for the FY 2000 GEAR UP grant competition. Checklists were only completed on grant applications that were selected for funding; therefore, all 21 of the applicants we selected for review received funding in FY 2000.

We found that:

- GEAR UP program staff reviewed eligibility only after the review process for applications selected for funding had been completed.

- Twenty of the 21 checklists were missing answers for at least one question. The most skipped question dealt with verification that 50 percent of students in participating schools were eligible for free or reduced lunch, a major eligibility requirement of the legislation.

- Twelve of the 21 checklists did not have a narrative response with an answer or an explanation for the lack of an answer to questions that required a response. Again, the majority contained no explanation addressing the verification of the students eligible for free or reduced lunch.

The Department concurred with our finding and made revisions to the Technical Review Plan for the 2001 competition to complete all eligibility checks prior to the application being read or scored. When we brought the matter regarding incomplete checklists to the Department's attention, its response stated that the checklist is not mandatory and was designed as an internal document to merely identify all mandatory criteria and listed all essential assurances that the applications must contain. When staff knew that an applicant met the eligibility criteria or the eligibility was checked in another manner, the checklists were not completed. The response continued by stating that all applications were carefully and thoroughly reviewed to determine eligibility and no grants were awarded to applicants who were not eligible to participate.

GEAR UP program staff did not perform the eligibility screening until after the review process had been completed. The timing of the review did not follow the guidance contained in the Technical Review Plan, which required program staff to screen all qualified applications for eligibility prior to the review process. Further, documentation should be maintained to support review of grant applications for eligibility.

Recommendation

We recommend that the Assistant Secretary for Postsecondary Education assure that GEAR UP program officials:

4.1 Follow the procedures in place for determining the eligibility of an applicant prior to submitting the application for review.

Finding No. 5 – Sample of Technical Review Forms and Panel Summary Sheets Revealed Errors

---

Our objective was to determine if the scores from the individual reviewer's technical review forms were transferred correctly to the panel summary sheets and then to the funding slate. We found technical review forms and panel summary sheets completed by reviewers contained errors related to either transferring the wrong scores to summary sheets or simple mathematical errors in calculating the scores. According to the Technical Review Plan, program staff were responsible for reviewing all forms and checking for completeness and/or any major discrepancies. It further states that it is the role of program staff to review completed technical review forms for their mathematical accuracy, completion, consistency, and quality of comments in justifying scores. To address our objective, we selected a sample of partnership applications for review; in addition, we reviewed all FY 2000 state applications. Below are the results of the review.

Partnership Applications

From the 258 FY 2000 GEAR UP partnership grant applications received, we randomly selected 50 applications for review. The universe included both funded and non-funded applications from the FY 2000 competition. We reviewed the individual reviewer technical review forms and

panel summary sheets for each of the selected applications. We determined that 43 of the 50 partnership applications reviewed contained some form of discrepancy.

Our review of the 50 partnership applications scored yielded the following results:

Thirteen of the 50 applications contained some error on the technical review form or panel summary sheet related to the scores that reviewers assigned to GEAR UP grant applications. None of the errors on the 13 applications resulted in any material impact on the applicants, e.g., keeping them out of the fundable range of scores or placing them in this range when they should not have been. The largest difference on the technical review forms for the 13 applications was two points, which yielded an average score difference of more than half a point. One error resulted from scores being reversed between two criterions when the scores were transferred from the individual criteria pages to the summary page. This reversal resulted in no change to the total score. The differences noted would not have moved any of the applications into the fundable range as their average scores were well below the funding cut-off.

In other instances, individual reviewers brought forward incorrect scores, failed to bring forward changed scores, did not initial changes made, or reviewer comments were typed not written. For the FY 2000 grant competition, none of the errors found in our review adversely affected any of the applications.

State Applications

We reviewed all 21 state grant applications that the GEAR UP program office received for FY 2000; seven of these states received funding. The universe included both funded and non-funded applications from the FY 2000 competition. We reviewed the individual reviewer technical review forms and panel summary sheets for each of the applications. We determined that 15 of the 21 State applications reviewed contained some form of discrepancy. Two of the 15 applications contained math errors. Other discrepancies noted consisted of typed comments instead of written, incomplete checklists, checklists indicating comments were written in ink when they were typed, changes made were not initialed and in one instance scores were written in pencil.

For the FY 2000 grant competition, none of the errors found in our review adversely affected any of the applicants. The differences we found in average score would not have moved any applicants into or out of the fundable range.

Not following written procedures already in place could jeopardize the integrity of the review process by funding applications in error. Further, applications that should be funded may not rank high enough to receive an award if changes are not carried forward correctly. This could potentially affect whether an applicant receives funding.

The Reviewers' Handbook: Instructional Handbook for the 2000 GEAR UP Grant Review Process--stated that reviewers were to write their evaluations in ink. The Technical Review Plan also required reviewers to independently change their scores and edit or amend their comments in ink.

The Department agreed that there were errors in the technical review forms and Panel Summary Sheets. The Department stated that in the new Technical Review Plan for the 2001 competition, changes would be instituted to minimize the possibility of errors in the review process. No scores will be logged in as complete without approval from both a Department of Education employee serving as a panel monitor and another Department of Education employee serving in the control room. To further address this concern, the Department plans to dedicate one staff member in the control room to check for mathematical errors, transposed numbers, and incorrect transfer of numbers from the technical review forms to the panel summary sheets. In addition, the guidance for readers has been changed to indicate specifically that reviewers may write in ink or type their comments.

Recommendation

We recommend that the Assistant Secretary for Postsecondary Education assure that:

5.1 GEAR UP management follows the procedures it has in place for the application review process.

Background

Congress authorized the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) as part of the Higher Education Amendments of 1998 (Public Law 105-244). The GEAR UP program is designed to accelerate the academic achievement of cohorts of disadvantaged middle and secondary school students. The goal is to support institutions of higher education, local schools, community-based organizations, businesses, and States in working together to help students and their parents gain needed knowledge and strengthen academic programs and student services in the schools. GEAR UP provides two types of competitive grants, partnership and state, that supports early college preparation and awareness activities at the local and state levels. OPE's Policy, Planning, and Innovation Office currently administers the GEAR UP program. GEAR UP grants are five years in length.

Partnership grants are submitted on behalf of a locally designed partnership between one or more local education agencies acting on behalf of an elementary or secondary school, one or more degree-granting institution of higher education, and at least two community organizations or entities. These other entities could include such organizations as arts groups, businesses, religious groups, college student organizations, state agencies, family organizations, or parent groups. Partnership grants must include an early intervention component. The maximum annual Federal contribution under Partnership grants is $800 per each student served. The early intervention component involves the project providing early college awareness and preparation activities for participating students through comprehensive mentoring, counseling, outreach, and supportive services.

For state grants, the governor of a state designates which state agency will apply for and administer a GEAR UP grant. State projects must include both early intervention and scholarship components. The scholarship component means a project shall establish or maintain a financial assistance program that awards scholarships to GEAR UP eligible students so that they may attend institutions of higher education. Partnership grants have the option of including a scholarship component.

The Department's 1999 Performance Reports and 2001 Plans, as submitted under the requirements of the Government Performance and Results Act (GPRA), contains the GEAR UP program objectives and indicators for measuring program success. The GEAR UP program supports this objective and has as its goal to ensure that disadvantaged middle school and

secondary school students are prepared for, pursue, and succeed in postsecondary education. The Department's measures address the following areas related to students participating in the GEAR UP program. The objectives are to increase:

- Academic performance and preparation for postsecondary education of participating students;
- High school graduation rates and participation in postsecondary education of participating students; and
- Educational expectations for participating students and student and family knowledge of postsecondary education options, preparation, and financing.

Section 404A of the Higher Education Act of 1965 (HEA), as added by Public Law 105-244, authorizes the Secretary to establish a program that--

(1) encourages eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary school diploma (or its recognized equivalent), of the financial assistance necessary to permit the students to attend an institution of higher education; and

(2) supports eligible entities in providing--

(A) additional counseling, mentoring, academic support, outreach, and supportive services to elementary school, middle school, and secondary school students who are at risk of dropping out of school; and

(B) information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents.

The intent of the GEAR UP program, as expressed in the legislative history surrounding the law, is to provide low income children with the assurance that financial aid for postsecondary education would be available, as well as connecting these children with mentoring and support services to enable them to succeed. The program, based upon GEAR UP program documentation, addresses the challenge of helping more low-income students become prepared academically and financially to enter into and succeed in college. According to documentation we reviewed, measuring these areas provides a means of adequately gauging the success of the GEAR UP program.

The first GEAR UP grant was awarded in fiscal year 1999. During this first award year, the Department awarded 164 partnership grants and 21 state grants. In 2000, 73 partnership grants and seven state grants were awarded. GEAR UP appropriations for 1999 totaled $120 million, with $200 million appropriated in 2000.

Objectives, Scope, and Methodology

The purpose of our audit was to determine if the Department had implemented adequate management controls to administer the GEAR UP program in accordance with legislative, regulatory, and its own internal administrative requirements. We focused on the FY 2000 grant competition from the development of the application Technical Review Plan to the awarding of grant funds. In addition, we determined whether the measures established for the GEAR UP program as contained in the Department's annual performance plan, under the Government Performance and Results Act (GPRA), adequately addressed the program goals as defined by the enacting legislation.

To accomplish our audit objectives, we reviewed applicable laws and Federal regulations governing the enactment of the GEAR UP program. In addition, we conducted interviews with program officials and staff in the GEAR UP office located in Washington, D.C. and obtained and analyzed documentation related to the project. We reviewed all 21 funded and non-funded state applications and randomly selected 50 of the 258 funded and non-funded partnership applications that the GEAR UP office received for consideration during the FY 2000 grant competition.

We conducted our fieldwork at the GEAR UP program office during the periods November 6-9 and November 28-30, 2000. We conducted an exit conference at the GEAR UP office on April 9, 2001. We continued to collect and analyze information and the GEAR UP written response to our preliminary findings, dated April 23, 2001, in our office through July 2001. We discussed our findings with GEAR UP officials again on March 11, 2002. Our audit was conducted in accordance with government auditing standards appropriate to the scope of the review described above.

Statement on Management Controls

As part of our audit, we assessed the Department's management controls applicable to the scope of this review. This assessment included a determination of whether the processes used by the Department's GEAR UP office related to the area of compliance with Federal regulations; and internal policies and procedures provided a reasonable level of assurance that the GEAR UP program is being appropriately administered.

For the purpose of this report, we assessed and classified the significant management controls into the following categories:

- Development and implementation of the Technical Review Plan
- Reviewers' scores
- Funding slate

Because of inherent limitations and the limited nature of our review, a study and evaluation made for the limited purposes described above would not necessarily disclose all material weaknesses in the control structure. However, our assessment disclosed weaknesses at the Department's GEAR UP office related to the area of compliance with Federal regulations, as well as with internal policies and procedures. These weaknesses are discussed in the Audit Results section of this report.

Exhibit 1

GEAR UP Criteria

Definition of Eligible Entity: Section 404A(c) of the HEA defines an eligible grant recipient for the GEAR UP Program as —

(1) a State; or

(2) a partnership consisting of -

(A) one or more local educational agencies acting on behalf of - -
(i) one or more elementary schools or secondary schools; and
(ii) the secondary schools that students from the schools described in clause (i) would normally attend;
(B) one or more degree granting institutions of higher education; and
(C) at least two community organizations or entities, such as businesses, professional associations, community-based organizations, philanthropic organizations, State agencies, institutions or agencies sponsoring programs authorized under subpart 4, or other public or private agencies or organizations.

Program Regulations: GEAR UP program regulations (34 C.F.R. §§ 694.2 and 694.3) specify that if a partnership or State applicant has chosen the cohort method for providing early intervention services, the applicant must provide service to at least one entire grade level (cohort) of students beginning not later than the 7th grade. The cohort to be served must be from a participating school that has a 7th grade and at least 50 percent of the students must be eligible for free or reduced-price lunch under the National School Lunch Act. An exception in §694.3 (a) states that a cohort may consist of all the students in a particular grade level at one or more participating schools who reside in public housing as defined in section 3(b) (1) of the United States Housing Act of 1937.

GEAR UP program regulations (34 C.F.R. § 694.7) further define the matching requirements for a partnership. For a GEAR UP partnership, the applicant must state the percentage of cost of the GEAR UP project that the partnership will provide each year from non-Federal funds and comply with this percentage for each year of the project period. The non-Federal share of the cost of the GEAR UP project must be not less than 50 percent of the total cost over the project period. The regulations stipulate that a partnership with three or fewer institutions of higher education as members may provide less than 50 percent, but not less than 30 percent, of the total cost over the project period if it includes the following:

- A fiscal agent that is eligible to receive funds under Title V (Hispanic-serving institutions), or Part B of Title III (Historically Black Colleges), or section 316 or 317 of the HEA (American Indian Tribally Controlled Colleges and Alaska Native and Native Hawaiian-serving institutions), or a local educational agency;
- Only participating schools with a 7th grade in which at least 75 percent of the students are eligible for free or reduced-price lunch under the National School Lunch Act; and
- Only local educational agencies in which at least 50 percent of the students enrolled are eligible for free or reduced-price lunch under the National School Lunch Act.

Appendix A

GEAR UP Officials Response to Preliminary Audit Results

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

RECEIVED
MAY 2 2001
AUDIT SERVICES
KANSAS CITY, MO

MEMORANDUM

DATE: April 23, 2001

TO: Bill Allen
Lisa Robinson
Rebecca Link
Frances Gross

FROM: Maureen A. McLaughlin *Maureen A. McLaughlin*
Deputy Assistant Secretary for
Policy, Planning and Innovation

SUBJECT: Audit of the Administration of the GEAR UP Program

Thank you for meeting with me on April 9 to discuss your initial findings with respect to your audit of the administration of the GEAR UP Program. I found your comments and suggestions to be helpful, and I have already taken a number of steps to address the issues that you raised. After our meeting, I revised our technical review plan to incorporate your suggestions. I have attached a copy of our original technical review plan and its amendments and will discuss the changes below. I will also address a few items from your findings that need further clarification.

Finding Point Sheet # 1: Eligibility Check

In your first finding, you identified two issues relating to the way eligibility was determined during the last competition: 1) that eligibility was checked after the field reading was completed rather than before, and 2) that eligibility checklists were not sufficiently completed.

On the first point, we agree that it would be better to check for basic eligibility before the field reading begins. After my meeting with you, I revised our technical review plan to indicate that in our 2001 competition, eligibility checks will be done by GEAR UP staff members before applications are sent to reviewers. If an applicant is not eligible to receive funding, the application will not be read or scored by field readers.

On the second point, I would like to clarify that the checklist used in the last competition was designed as an internal document to assist staff in checking mandatory criteria and essential assurances. Use of the checklist was not mandatory, and, in many cases, the checklists did not become part of the official file. The checklist merely identified all mandatory criteria and listed all essential assurances that the applications must contain. In some cases, when staff knew that an applicant met the eligibility criteria or the eligibility was checked in another manner, the

BEST COPY AVAILABLE

checklists were not completed fully. All applications, however, were carefully and thoroughly reviewed to determine eligibility, and no grants were awarded to applicants who were not eligible to participate. If you would like to verify that our grantees are eligible to participate in the program, we would be glad to assist you in doing so. In the 2001 competition, we will institute a more consistent use of checklists.

Finding Point Sheet #2: Errors in Technical Review Forms and Panel Summary Sheets

Your second finding related to errors in the technical review forms and panel summary sheets. In GEAR UP's 2001 competition, we will institute changes in the review process to minimize the possibility of error. In our new technical review plan, we designed the review process to insure that all technical review forms and panel summary sheets are reviewed by two Department of Education staff. No scores will be logged in as compete without approval from both a Department of Education employee serving as a panel monitor and another Department of Education employee serving in the control room. To further address this concern, we will dedicate one staff member in the control room to checking for mathematical errors, transposed numbers, and incorrect transfer of numbers from the technical review forms to the panel summary sheets.

Many of the discrepancies that you note as part of this finding were instances in which comments were typed rather than written in "ink." While it is true that many of the comments were typed, we do not believe that this is a concern. The reason that we mandated that readers use ink was that we did not want comments written in a media that could be changed after-the-fact (such as pencil). We considered typewritten comments to be in "ink" and to be acceptable. In fact, we prefer comments to be typed, because typed comments are easier for applicants to read and understand and, in our experience, typed comments tend to be more thoughtful than handwritten comments. Accordingly, we have revised our technical review plan and our reader's handbook to indicate specifically that reviewers may write in ink or type their comments.

Finding Point Sheet #3: Warrants

Your third finding suggests that the official who obligated the 2000 funding cycle grants did not possess the correct warrant to obligate the funds. The funds were obligated by Vicki Payne. At that time, Vicki was serving as my chief of staff, and she possessed an Office of Postsecondary Education (OPE) warrant of the correct size to obligate the funds. Although her name did not appear on the GEAR UP official list, it is our understanding from OPE's executive office that anyone who has an OPE warrant of correct size may obligate funds for any OPE program. We acted according to that understanding. We have since updated the GEAR UP list to include Vicki and plan to obtain warrants for several GEAR UP staff.

Finding Point Sheet #4: Monitoring

In your last finding, you note that GEAR UP does not have a monitoring plan at this time and that GEAR UP's focus is on technical assistance rather than monitoring. Last week, Diana Hayman of Program Monitoring and Information Technology (PMIT) in OPE addressed the GEAR UP staff regarding the implementation of a monitoring plan that will include both

BEST COPY AVAILABLE

monitoring and technical assistance. We are currently scheduling a meeting with Diana and some of the area representatives who work under her to help us draft an appropriate monitoring plan.

If I can assist you further, please contact me at (202) 502-7950. Thank you.

Attachments

BEST COPY AVAILABLE

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

DATE: April 17, 2001

TO: Maureen A. McLaughlin
Deputy Assistant Secretary
Policy, Planning and Innovation (PPI)

FROM: Vicki V. Payne
Management and Program Analyst
Policy, Planning and Innovation (PPI)

SUBJECT: Request for approval of Amendments to the Technical Review Plan for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) for Fiscal Year 2001 Competition (CFDA No. 84.334)

Attached for your review and approval are Amendments to Technical Review Plan (TRP) for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) for the fiscal year 2001 grant competition. These amendments provide for an eligibility check prior to the peer review, allow comments to be typed, and eliminate the rubric from the list of documents that will be sent to reviewers.

Amendments Approved: Maureen A McLaughlin April 17, 2001
Signature Date

Amendments Disapproved: _____ _____
Signature Date

Attachment

BEST COPY AVAILABLE

Amendments to the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Technical Review Plan for FY2001

1) Add the following language to the end of section III. PREPARATION FOR THE REVIEW OF APPLICATIONS, A. Application Receipt:

> All applications will be screened for program eligibility by GEAR UP staff prior to the peer review. An application found to be ineligible will be reviewed by the competition manager and the GEAR UP director to determine if the application should be evaluated by the external reviewers.

2) Delete ", rubric" from section III. PREPARATION FOR THE REVIEW OF APPLICATIONS, B. Procedure for Selecting Non-Federal Experts, on page 5.

3) Add the following language to the end of section IV. CONDUCT THE REVIEW, B. Reviewer/Panel Specifications:

> Comments should be typewritten or handwritten in ink.

BEST COPY AVAILABLE

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

DATE : April 5, 2001

TO : Maureen A. McLaughlin
Deputy Assistant Secretary
Policy, Planning and Innovation (PPI)

FROM : Vicki V. Payne
Management and Program Analyst
Policy, Planning and Innovation (PPI)

SUBJECT : Request for Approval of the Technical Review Plan for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) for Fiscal Year 2001 Competition (CFDA No. 84.334)

Attached for your review and approval is the Technical Review Plan (TRP) for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) for the fiscal year 2001 grant competition.

This TRP provides a description of the procedures for evaluating applications, the review schedule, criteria used for identifying and selecting reviewers, method for ranking applications for funding, and other pertinent information regarding how the grant competition will be conducted.

The Congress appropriated $295 million for GEAR UP fiscal year 2001 funds. The total amount available for new discretionary grant awards is approximately $60 million. Through this competition, we anticipate making approximately 75-90 partnership grant awards and 9-12 state grant awards.

The notice inviting applications for new awards for fiscal year 2001 was posted in the *Federal Register* of January 19, 2001 under CFDA No. 84.334. The closing date for the acceptance of applications is March 30, 2001. The peer review of applications will be conducted on May 20-23.

Plan Approved : Maureen A McLaughlin April 5, 2001
Signature Date

Plan Disapproved: _____ _____
Signature Date

Attachments

BEST COPY AVAILABLE

GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS (GEAR UP)

TECHNICAL REVIEW PLAN FOR FY2001

TABLE OF CONTENTS

		PAGE
I.	Descriptive and Historical Information	3
II.	General Information	4
III.	Preparation for the Review of Applications	4
IV.	Conduct of the Review	5
V.	Funding Decisions	8
VI.	Completion of Review	8

Attachments
A Schedule of Activities
B Peer Review Agenda

BEST COPY AVAILABLE

GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS (GEAR UP)

TECHNICAL REVIEW PLAN FOR FY2001

I. DESCRIPTIVE AND HISTORICAL INFORMATION

A. Program Description

GEAR UP is a discretionary grant program authorized under Chapter 2 of subpart 2 of Part A of Title IV of the Higher Education Act of 1965, as recently amended by the Higher Education Amendments of 1998 (Public Law 105-244). The mission of GEAR UP is to increase significantly the number of low-income students who are prepared to enter and succeed in post-secondary education.

B. Types of Grants

Partnership Grants (84.334A) support multi-year grants to partnerships consisting of colleges and low-income middle schools and at least two other entities-- such as community organizations, businesses, religious groups, college student organizations, State agencies, family organizations, or parent groups -- to increase college-going rates among low-income youth through comprehensive mentoring, counseling, outreach, more rigorous coursework, and supportive services for participating students.

State Grants (84.334S) support multi-year grants to States to provide early college awareness activities, information on affording college including financial assistance, and improved academic support through mentoring, counseling, outreach, supportive services and scholarships.

C. Recent Funding Information

FY99 Funding – $120m (minus costs for field reading, evaluation, and 21st Century Scholars Certificates)

Type of Grant	Funding	# of Projects	Average Award
Partnership	75,601,381	164	461,000
State	41,788,898	21	1,990,000

FY00 Funding – $200m (minus costs for field reading, evaluation, and 21st Century Scholars Certificates)

Type of Grant	Funding	# of Awards	Average Award
Partnership	33,536,394	73	460,000
State	12,077,623	7	1,725,374
Continuation funding	151,806,317		

BEST COPY AVAILABLE

D. Fiscal Year 2001 Funding Level

The total GEAR UP appropriation for FY 2001 is $295 million. Of the funds appropriated, approximately $35.5 million will be available for new Partnership awards and $23 million for new State awards. This will support an estimated 75-90 partnership grants and 9-12 state grants.

II. GENERAL INFORMATON

The notice inviting applications for new awards for fiscal year 2001 was posted in the *Federal Register* of January 19, 2001 under CFDA No. 84.334. The closing date for the acceptance of applications is March 30, 2001. The review of applications for both Partnership and State grant awards will be conducted on May 20-23 at the Marriott Wardman Park Hotel in Washington, D.C. We anticipate receiving approximately 300 applications.

III. PREPARATION FOR THE REVIEW OF APPLICATIONS

A. Application Receipt

The Application Control Center (ACC) will accept applications that are postmarked by March 30, 2001 in accordance with the Notice Inviting Applications for New Awards. After ACC's log-in, all applications will be forwarded to the designated contractor to assess completeness of applications in terms of the number of copies provided, missing pages, required forms, etc. The Department's contractor, DTI Associates, will immediately place the original applications in a file folder. The pertinent information such as the proposal number, the applicant's state and name will be entered into a database. All applications that meet the closing date requirement will be reviewed.

Applicants can submit select forms, such as the title page, students served form, budget summary form, etc., electronically, however, all forms must also be included in original application in hard copy form and are accepted only until the closing date. All information submitted by the applicant is stored in a database. After the closing date, applicants will not be able to submit corrections.

B. Procedure for Identifying and Selecting Non-Federal Experts

Eligible reviewers will be selected from the GEAR UP Reviewer Database. This database contains prospective reviewers with expertise in one or more of the following areas:

- State reform in K-12 education:
- The teaching needs of K-12 school districts, and particularly those with middle schools in high poverty areas;
- The support that new teachers need in their first few years of teaching;

BEST COPY AVAILABLE

- Teaching at the college level;
- Early awareness/college preparation programs;
- Fostering strong working relationships the school districts and universities;
- The particular teaching needs of high-need school districts;
- Management and governance issues related to the development and sustainability of partnerships among high need school districts, postsecondary institutions, CBOs, businesses and other community groups; and
- Other issues related to enable all of students to achieve high academic standards.

Reviewers will be assigned to panels with an eye toward achieving a balance in terms of training, professional expertise and experience as a reviewer. To the extent possible, panels will be comprised of reviewers representing a cross section of individuals from public and private postsecondary institutions of education, experts in the education of at-risk students, experts in school community partnerships, and experts in K-12 education and administration. Moreover, overall racial/ethnic representation within the reviewer pool will be sought. There will be eight applications assigned to each panel of three reviewers.

A packet of materials will be sent by Federal Express to all reviewers approximately three weeks prior to the review. This packet will include a confirmation letter, reviewers' guide, application package, GEAR UP statute and regulations, technical review forms, a rubric, an orientation video and eight applications for the review to read and a disk containing all relevant forms. All forms and review material will also be available on the GEAR UP web site for reviewers. The DTI Associates will make all travel arrangements and set up reservations at the hotel.

IV. CONDUCT THE REVIEW

A. Review Specifications

There will be an orientation for reviewers by conference call approximately three weeks before the review. There will also be further orientation in person on the first day immediately after registration. Reviewers will begin paneling immediately after the orientation and continue paneling until all assigned applications have been cleared by the Department of Education control room. After final decisions and scoring have occurred for an application, the panel chair will compile packets (3TRFs and 1 application) and forward them to the ED panel monitor for his or her review. While reviewers are paneling, ED panel monitors will review packets and provide technical assistance. After a thorough review, ED panel monitors will forward completed packets to the control room for final review and clearance. After a packet has received final clearance from the control room, all forms will be delivered to DTI. DTI will log the scores and file the forms. Once DTI has logged in scores for all of a reviewer's applications, the reviewer will receive an honoraria check and an invoice, which will need to be mailed to the designated contractor with receipts for processing. The schedule of activities and peer review agenda are attached. (Attachments A and B)

BEST COPY AVAILABLE

B. Reviewer/Panel Specifications

There will be approximately 40 panels, and 3 reviewers per panel. Approximately 8 applications will be assigned to each panel. Reviewers will have independently read and evaluated the merit of applications in accordance with the published selection criteria prior to paneling. Reviewers may, on the basis of panel discussions, independently change their scores and edit or amend their comments in ink. While panel consensus is not required, all readers' comments must be clearly supportive of any scores given. A record of discussion form will be required for all applications with a final point difference of eleven points or greater.

Reviewers' Orientation. Reviewers will be oriented to the review process through a one-hour conference call approximately three weeks before the review, a video mailed to them with the applications, and a one and half hour orientation that will be held on the first day of the scheduled review. The following topics will be discussed during the orientation:

- Funding process and the reviewer's role and responsibilities;
- Purpose of panel meetings and the paneling process;
- Application, program legislation and regulations, and the applicable provisions in the Education Department General Administrative Regulations (EDGAR);
- Application technical review form and the published selection criteria;
- Conflict of Interest form; and
- Role and responsibilities of ED staff.

Reviewers' Honoraria. Reviewers will receive honoraria checks, based on a flat rate of $100 per proposal read with an additional $100 to each panel chair, after final clearance of all applications. During the checkout process, and before the reviewer receives their honorarium check, they will receive an expense report that they will need to fill out, attach receipts (such as taxi receipts), and mail back to for processing. Reviewers will also receive a per diem amount to cover accommodations and meals. DTI Associates will reimburse reviewers as quickly as possible (25 days or less).

Replacing Reviewers. If during the course of the on site review, a reviewer is either unable or unwilling to fulfill the responsibilities that the Program has set forth for the field reviewers during the orientation, then the following procedures will be put into practice:

- A panel monitor must determine and document that a reader is remiss in one or more of the following areas:
    - missing two or more deadlines for panel discussions and/or deadlines for proposal review completion, and/or

BEST COPY AVAILABLE

- writing inappropriate or inadequate comments in justifying scores (after staff has instructed the reviewer on ways to improve the types of comments being written), and/or
- conducting him/herself in an unprofessional manner.

➢ The monitor must then present this information to the competition manager.

➢ The competition manager will then meet with the panel monitor and the reader being considered for dismissal to discuss the situation and determine whether the reader will be dismissed.

➢ If the competition manager determines that a reader needs to be replaced, she and the panel monitor will document the reasons for the actions taken in the funding memorandum and the official competition file.

Purpose of Panel Discussions

➢ To share judgments and ratings about the proposed activities if a specific activity is not recommended for support;

➢ To help each individual reader assess his or her judgment and ratings relative to the panel discussion of each particular application;

➢ To clarify items in the application which may have been missed inadvertently, thus having an impact on the points awarded; and

➢ To eliminate, where possible, wide variances (i.e., 11 points or more) between the highest overall rating and the lowest, when those variances might be artificially caused by misunderstanding. If a eleven point difference still exists a Record of Discussion will be completed by the panel.

C. Role of ED Staff

Throughout each working day of the panel review sessions, ED staff will monitor the process and will be present to answer questions, provide technical assistance, log applications in and out, and monitor panel meetings and discussions. The ED staff will serve as monitors for panel discussions, but will not enter into the substantive discussion of the strengths and weaknesses of the applications. Additionally, the ED staff will review technical review forms for completeness, consistency, quality of comments in justifying scores and mathematical accuracy. And finally, ED staff will assess whether there are wide differences in panels' scoring.

BEST COPY AVAILABLE

D. Conflict of Interest

The GEAR UP staff will comply with the "Conflict of Interest" policies and procedures stated under the departmental directive issued by Deputy Secretary in the memorandum. In compliance with this memo, GEAR UP will be using ED Form 5249-2, 3/00.

Each reader will be given a list of applications from which he/she will determine if a conflict of interest exists. He/she will then discuss any potential conflicts of interest with the appropriate Program Official. Any discussion regarding these potential conflicts will be recorded on ED form 5249-2. Information in that record of discussion will include the following: the nature of the conflict, the name of the applicant and state and PR/Award number, the name(s) of the person(s) with whom the reader discusses the issue, the date, and the resolution of that discussion. The reader will certify by signature that no conflict of interest exists and a waiver will be issued by the Principal Officer of the Principal Office administering this competition, with the concurrence of the Ethics Division in the Office of the General Counsel. The waiver along with this concurrence will permit the reader to participate as a reviewer in this competition.

No reader will be assigned applications from his or her state in order to eliminate a potential conflict of interest. No reader will read any application from an institution of current employment or previous employment within the last 12 months. No reader will read an application that he/she helped to develop or write or that was submitted by an institution/organization at which he/she expects to be employed in the event funding is awarded.

V. FUNDING DECISIONS

Ranking Applications After Final Review. A rank-order listing of all final applications will be prepared based on the final score assigned to each application. The final score for an application will be derived by averaging the scores of the non-Federal experts.

Applications will be recommended for funding in rank order. If two or more applications have the same final score in rank for the last proposal that can be funded, based on available funds, program staff will select the applicant(s) whose activities will focus (or have the most impact) on LEAs and schools located in one (or more) of the Nation's Empowerment Zones and Enterprise Communities.

VI. COMPLETION OF REVIEW

Enter Scores and Rank Applications. Upon completion of the review, all scores will be entered into the database to create a ranking of the applications.

Data Review and Eligibility Check. Upon completion of the review, GEAR UP staff will review all Reader Summary Reports (individual and panel). Budgets will be

BEST COPY AVAILABLE

reviewed and analyzed for unallowable activities and costs. Staff will make recommendation for budget revisions at this time. Any applications that elicit further questions will receive further review by the GEAR UP staff.

Prepare of Final Slates. GEAR UP staff will review all files and make final recommendations.

Enter Data into GAPS. GEAR UP staff will enter data into GAPS.

Notify Successful Applicants. Applicants will receive official notification of their grant award on or around June 30.

Document and Dispose Applications. Once the rank order slates for State grant awards and Partnership grant awards have been approved by the Deputy Assistant Secretary for Policy, Planning, and Innovation, and the Assistant Secretary for Postsecondary Education has concurred, the authorized OPE official will obligate the awards. After these awards are obligated, the Office of Legislation and Congressional Affairs will notify the appropriate congressional office of the pending award. Regret letters will be sent to unsuccessful applicants within 90 days after the above notification process is completed.

During the same time period, program staff will initiate contacts with grantees to develop work plans for assessing project objectives, activities, outcomes and measures; and to reach agreement on program budgets. Additionally, a plan will be established to implement staff monitoring and technical assistance. Award documents will be generated by program staff and forwarded to each grantee.

For each successful applicant recommended for funding, the staff should have already developed an official program file. At a minimum, each file will include the original application, readers' comments, the work plan and revised budgets for each year that the grant is awarded funds.

Unsuccessful applicants may request, in writing, information about the decision not fund their application. This information may include the technical review forms and the rank order. The program office will retain the technical review forms for one year after the closing date of March 30, 2001. The original applications of unsuccessful applicants will be forwarded to the Federal records center for three years.

BEST COPY AVAILABLE

Attachment A

GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS (GEAR UP) FY 2001 GRANT COMPETITION

SCHEDULE OF ACTIVITIES

January 19, 2001:	Notice inviting applications for new awards for fiscal year 2001 was posted in the *Federal Register* under CFDA No. 84.334.
March 30, 2001:	Closing date for the acceptance of applications.
May 2, 2001:	Packet of materials including a confirmation letter, reviewer's guide, application package, GEAR UP statute and regulations, technical review forms, a rubric, and orientation video, and eight applications, and a disk containing relevant forms sent to reviewers by Federal Express.
May 4-9, 2001:	Orientation Conference calls with reviewers.
May 9-19, 2001:	Reviewers read and prepare initial comments on applications.
May 20-23, 2001:	Reviewers come to the Marriott Wardman Park Hotel in Washington, D.C. to discuss applications with other panel members.
June 30, 2001:	Final Award Notifications sent to successful applicants.

BEST COPY AVAILABLE

Attachment B

Peer Review Agenda

Date/Time	Activity	Details
Sunday, May 20 12-1 PM	Registration	Reviewers will register and pick up pertinent information. Lunch will be provided
1-3 PM	Orientation —CLEAR UP Director & Application Manager	2 hr CLEAR UP Director, the Application Manager and staff will share information with reviewers regarding overview of the process
3-6 PM	-Paneling	Reviewers will discuss proposals and forward packets (3TRI's and 1 application) to ED staff for review after final decisions and scoring have occurred for each application. While reviewers panel, ED staff will monitor panels—reviewing packets and providing technical assistance.
Monday, May 21 8:00 – 8:55 AM	-Breakfast	
9:00 - 11:55 AM	Paneling cont.	
12:00-12:55 PM	-Lunch	
1:00 - 5:00 PM 5:00 - 5:30 PM	Paneling cont. ED Staff Meeting	ED staff will need to debrief on the day
5:00 PM - until	Reviewers' Options: -Continue to Panel -Dinner -Prepare for next day	Reviewers can continue paneling, have dinner, or prepare for the next day.

Date/Time	Activity	Details
Tuesday, May 22 8:00 – 8:55 AM	-Breakfast	
9:00 - 11:55 AM	Paneling cont.	

BEST COPY AVAILABLE

12:00-12:55 PM	Meeting of all reviewers and ED staff/Lunch	ED staff will provide update on the progress of the panels and will discuss any concerns that arise during the competition. Lunch will be provided.
[illegible]	[illegible]	[illegible]
5:00 PM - until	Reviewers' Options: -Continue to Panel -Dinner -Prepare for next day	Reviewers can continue panelling, have dinner, or prepare for the next day.
[illegible]	[illegible]	[illegible]

BEST COPY AVAILABLE

Audit of Gaining Early Awareness and Readiness for Undergraduate Programs

Report Distribution List

Action Official	No. of Copies
Sally Stroup, Assistant Secretary Office of Postsecondary Education 1990 K Street, NW Washington, DC 20006	1
Other ED Offices (electronically)	
Chief of Staff, Office of the Secretary	1
Deputy Secretary, Office of the Deputy Secretary	1
Under Secretary, Office of the Under Secretary	1
Assistant Secretary, Office of Intergovernmental and Interagency Affairs	1
Assistant Secretary, Legislation and Congressional Affairs	1
Chief Financial Officer	1
Office of General Counsel	1
Director, Budget Services	1
Director, Office of Public Affairs	1
Director, Financial Improvement & Post Audit Operations, OCFO	1
Director, Post Audit Group, Office of Chief Financial Officer	1
Audit Liaison Officer, Office of Postsecondary Education	1
Press Secretary	1
Office of Inspector General (electronically)	
Inspector General	1
Deputy Inspector General	1
Assistant Inspector General for Audit	1
Assistant Inspector General for Analysis and Inspections	1
Assistant Inspector General for Investigations	1
Deputy Assistant Inspector General for Audit	1
Director, State and Local Advisory and Assistance	1
Regional inspectors General for Audit	1 each
Directors, Internal Audit Teams	1 each

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

NOTICE

Reproduction Basis

[ ] This document is covered by a signed "Reproduction Release (Blanket)" form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.

[X] This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").